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RWU Professor's Study Finds More Risk than Reward in Brand Activism

Marketing professor co-authors journal article about “The Power of Politics in Branding” amid nation’s increasing political polarization



Super Bowl ads like 84 Lumber's controversial commercial above, depicting an immigrant and her daughter's journey on foot across the United States border, elicited a variety of reactions from viewers across America. Although the 84 Lumber commercial wasn't used in their research, the responses from consumers to this type of brand activism was investigated by RWU Professor Geraldo Matos and co-authors in a recently published study.

February 22, 2017 | Edward Fitzpatrick

BRISTOL, R.I. – In preparing for the Super Bowl, companies such as Airbnb and Audi, Anheuser-Busch and 84 Lumber decided to run ads that tackled societal and political issues such as equal pay for women and a mammoth border wall.

Perhaps those decisions are unsurprising at a time when political passions are running high, people are marching in protests and many corporations are concluding it's time to take a stand. But aside from whether executives think such ads are the right call to make (regardless of the consequences), the question remains: is brand activism a win or a loss for a company's bottom line?

A newly published study in the [Journal of Marketing Theory and Practice](#) finds that linking political or social positions with brands offers no clear benefit, even when viewers agree with a stance, but it does pose the potential for significant damage to the brand's interests, when consumers do not

agree with that position.

"This suggests managers should tread carefully when linking brands with political positions," the study states. "Our results suggest there is limited upside potential of this approach and a more significant downside risk."

The study, "The Power of Politics in Branding," was conducted by Geraldo Matos, an assistant professor of marketing at Roger Williams University's Mario J. Gabelli School of Business; Gema Vinuales, assistant professor of marketing at Towson University's College of Business and Economics; and Daniel A. Sheinin, professor of marketing at the University of Rhode Island's College of Business Administration.

Matos said some links between brands and social causes carry little risk. For example, no one will object if a brand is linked with the pink ribbons representing breast cancer research, but the potential downside increases as issues become more controversial, he said. The study examined the impact of a brand stating its support or opposition to three different issues: LGBT marriage rights, the Affordable Care Act ("Obamacare") and gun control, and how such a statement interacts with the individual's political or social orientation.

For example, the gun control study examined whether people would change the way they feel about a fast food brand, or their intention to eat there, based on a fictitious stance on gun control. The study found that when people agreed with the gun control stance taken by the brand, they weren't more likely to say that they would eat there. But, importantly, if they disagreed with the stance, they said that they would be less likely to eat there, and felt less connected to the brand.

"Maybe people don't want politics with their cereal or their coffee," Matos said.

Historically, corporations have often stayed away from politically charged themes. "As Michael Jordan is reported to have famously rationalized, Republicans and Democrats alike buy sneakers," the study said.

But now, amid the nation's deepening political divides, corporations are more aggressively and publicly linking their brands to political positions, the study said. "Recently, Chevrolet, Guinness and Honey Maid were linked with marriage equality, while Barilla, Chick-Fil-A and The Salvation Army were linked with traditional marriage."

Of course, Starbucks owner Howard Schultz might not care if his plan to hire 10,000 refugees worldwide costs him some coffee sales because he thinks it's the right thing to do, Matos said. And certain political messages could play quite well in certain parts of the country but not others, he said.

Despite the rise in politically oriented activity on the part of brands, surprisingly little research has examined the impact of linking brands with such positions, so this study attempted to gauge the overall impact such ads have on brand loyalty and purchasing decisions, Matos said.

"That is the world we live in today: Brands are supporting one cause or another," Matos said.

"Everything is divided. Are we at the point now where we are going to have Republican brands and Democratic brands?"

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